

State of Texas

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Rehabilitative Services (Continued).

1. Mental Health Rehabilitative Services – Service Definitions :

Mental Health Rehabilitative Services are age-appropriate, individualized, and designed to ameliorate mental and functional disabilities that negatively affect community integration, community tenure, and/or behaviors resulting from serious mental illness or emotional disturbance that interfere with an individual's ability to obtain or retain employment or to function in other non-work, role appropriate settings. Day programming for acute needs is provided on a large group basis and is site-based. All other services are provided on a one-to-one or small group basis, either on-site or in the community. Mental health rehabilitative services include:

- a. Medication Training and Support – curriculum-based training and guidance that serves as an initial orientation for the individual in understanding the nature of their mental illnesses or emotional disturbances and the role of medications in ensuring symptom reduction and increased tenure in the community. This service includes: assisting the individual to develop correct procedures for following a prescription medication regimen; strategies to manage symptomology and maximize functioning; developing an understanding of the relationship between mental illness and the medications prescribed to treat the illness; the interaction of medication with other medications, diet, and mood altering substances; the identification and management of potential side effects; and the necessity of taking medications as prescribed and following doctor's orders.
- b. Psychosocial Rehabilitation Service – social, educational, vocational, behavioral, and/or cognitive interventions to improve a client's potential for social relationships, occupational or educational achievement, and living skills development. This service is provided by members of a therapeutic team. When appropriate, the provision of services will address the impact of co-occurring disorders upon the individual's ability to decrease symptomology and increase community tenure. This service includes:
 - (1) Independent living - skills training and/or supportive interventions that focus on the improvement of communication skills, appropriate interpersonal behaviors, and other skills necessary for independent living or, when age appropriate, functioning effectively with family, peers and teachers. Training for independent living includes: skills related to personal hygiene; transportation utilization; money management; the development of natural supports; access to needed services in the community, e.g., medical care, substance abuse services, legal services, living accommodations; and social skills, e.g., communicating one's needs to strangers and making appropriate choices for the use of leisure time. Individuals receiving Psychosocial Rehabilitation Service are not eligible to simultaneously receive Skills Training and Development.
 - (2) Coordination – skills training and/or supportive interventions to assist the individual in improving their ability to gain and coordinate access to necessary care and services. Training for coordination skills includes instruction and guidance in such areas as: identifying areas of need across all life domains, prioritizing needs and setting goals, identifying potential service providers and support systems, initiating contact with providers and

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support systems, participating in the development and subsequent revisions of their plan of care, coordinating their services and supports, and advocating for necessary changes and improvements to ensure that they obtain maximum benefit from their services and supports. Individuals receiving Psychosocial Rehabilitation Service are not eligible to simultaneously receive Medicaid Targeted Case Management Services.

- (3) Employment related service – training and supports that are not job specific and have as their focus the development of skills to reduce or overcome the symptoms of mental illness that interfere with the individual's ability to make vocational choices, attain or retain employment. Included are activities such as: skills training related to task focus, task completion, planning and managing activities to achieve outcomes, personal hygiene, grooming and communication, and skills training related to securing appropriate clothing, developing natural supports, and arranging transportation. Also included are supportive contacts related to the school or work-site situation to reduce or manage behaviors or symptoms related to the individual's mental illness or emotional disturbance that interfere with job performance or progress toward the development of skills that would enable the individual to obtain or retain employment.
- (4) Housing related service - training and supports that focus on the development of skills to reduce or overcome the symptoms of mental illness that interfere with the individual's ability to obtain or maintain tenure in independent integrated housing. Included are activities such as: skills training related to home maintenance and cleanliness, problem solving with landlord and other residents, and maintaining appropriate interpersonal boundaries. Also included are supportive contacts related to the housing situation to reduce or manage behaviors or symptoms related to the individual's mental illness or emotional disturbance that interfere with maintaining independent integrated housing.
- (5) Medication related service – Training and supportive interventions that focus on individual-specific needs and goals regarding the administration of medication, monitoring efficacy and side-effects of medication, and other nursing services that enable the individual to attain or maintain an optimal level of functioning. Medication related service does not include services or activities that are incidental to physician services provided during a clinical appointment.

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- c. Rehabilitative Counseling and Psychotherapy – counseling and psychotherapy to reduce or eliminate symptomology and increase the individual's ability to perform activities of daily living. This service is provided by licensed mental health professionals or masters level professionals working under the supervision of the licensed professional in accordance with state law.
- d. Skills Training and Development - skills training and/or supportive interventions that focus on the improvement of communication skills, appropriate interpersonal behaviors, and other skills necessary for independent living or, when age appropriate, functioning effectively with family, peers and teachers. Skills Training and Development may include, but is not limited to: skills related to personal hygiene; transportation utilization; money management; the development of natural supports; access to needed services in the community, e.g., medical care, substance abuse services, legal services, living accommodations; and social skills, e.g., communicating one's needs to strangers and making appropriate choices for the use of leisure time. Individuals receiving Skills Training and Development are not eligible to simultaneously receive Psychosocial Rehabilitation Service.
- e. Acute Care Services - Services are provided on a one-to-one or group basis, either on-site or in the community. Services are age-appropriate, individualized, and designed to ameliorate mental and functional disabilities that place the individual at immediate risk of harm to self or others, institutionalization, or incarceration. Mental health rehabilitative acute care services include but are not limited to:
 - (1) Crisis intervention – intensive community-based one-to-one service provided to individuals who require services in order to control acute symptoms that place the individual at immediate risk of hospitalization, incarceration, or placement in a more restrictive treatment setting. This service focuses on behavioral skills training for stress and symptom management, problem solving and reality orientation to help the individual identify and manage their symptoms of mental illness, supportive counseling, and training to adapt to and cope with stressors. Also included is the assessment of dangerousness and, when appropriate, coordination of emergency services.
 - (2) Day program for acute needs – intensive site-based group service provided to individuals who require services in order to control symptoms and prevent hospitalization, incarceration, or placement in a more restrictive treatment setting or reduce the amount of time spent in a hospital or more restrictive treatment setting. This service focuses on intensive, medically-orientated, multidisciplinary interventions such as behavior skills training, crisis management and nursing services that are designed to stabilize acute psychiatric symptoms.

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3. Mental Health Rehabilitative Services do not include any of the following:
- a. services to inmates in public institutions as defined in 42 CFR 435.1009;
 - b. services to individuals under 65 years of age residing in institutions for mental diseases as described in 42 CFR§435.1009;
 - c. job task specific vocational services;
 - d. educational services;
 - e. room and board residential costs;
 - f. services that are an integral and inseparable part of another Medicaid-reimbursable service, including but not limited to, targeted case management services, residential rehabilitative behavioral health services, institutional and waiver services;
 - g. services that are covered elsewhere in the state Medicaid plan;
 - h. services to individuals with a single diagnosis of mental retardation or other developmental disability or disorder and who do not have a co-occurring diagnosis of mental illness in adults or serious emotional disturbance in children;
 - i. inpatient hospital services;
 - j. respite services;
 - k. family support services;

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B. Provider Qualifications – To enroll as a provider of Mental Health Rehabilitative Services and to maintain active provider status, an applicant/enrolled provider agency must:

1. Demonstrate a history of providing to adults and children, as well as a capacity to continue to provide to adults and children, a readily accessible, comprehensive, integrated, and well-coordinated system of services and supports, beneficial to adults and children who have been determined to need Mental Health Rehabilitative Services, that includes all of the Mental Health Rehabilitative Services reimbursable under this plan, and be either:
 - a. a governmental or non-governmental entity designated as a community mental health center or community mental health and mental retardation center in accordance with §534.001 of the Texas Health and Safety Code that is in compliance with and maintains on-going compliance with the Texas Department of Mental Health and Mental Retardation's Community Mental Health Standards (25 TAC 412 Subchapter G); or
 - b. a corporation authorized to do business in the State of Texas that demonstrates, through the implementation of written and readily available policies, procedures, and practices and on-site confirmation thereof, compliance with standards of care promulgated by the single state agency or its designee with the approval of the single state agency, that are comparable to those required of providers qualifying under 13d(B) (1) (a) and assure:
 - (1) The safety, health, rights, privacy and dignity of persons receiving Mental Health Rehabilitative Services.
 - (2) Access to emergency services, including, but not limited to, a 24-hour-a-day, 365-day-a-year staffed telephone screening and crisis response system, immediate access to emergency medical and psychiatric services, and immediate face-to-face assessment by qualified mental health professional staff, including physicians.
 - (3) Competency of staff (including volunteers, interns, and students), appropriate to job duty, including licensure commensurate with state law, and sufficient numbers of staff ensure safety and adequacy of programming, including emergency responses within programming.
 - (4) Physical separation of children and adults in residential and other program settings.
 - (5) Compliance with the most recent edition of the National Fire Protection Association's Life Safety Code and certification, registration, or licensure, as applicable for all inpatient

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and residential facilities utilized for services provided directly or under arrangement.

- (6) Communication with recipients in a language and format understandable to the recipient through the provision of interpretive services; translated materials; and use of native language and staff.
 - (7) The use of a record system that ensures the integrity of the individual record; provides for organization of content and storage of records; is administered by an appropriately trained and credentialed individual; and is consistent with all federal, state, and local laws and regulations pertaining to storage of records.
 - (8) A quality improvement process, that includes a plan and an annual self-evaluation of performance, that is based on valid data-driven decisions including both clinical and non-clinical aspects of care.
 - (9) An infection control plan approved by a physician which includes prevention, education, management, and monitoring of significant infections.
 - (10) A peer review process that promotes sound clinical practice, professional growth, and credentialing within the provider agency, and that abides by generally accepted guidelines and applicable laws, including necessary investigatory processes to comply with licensing requirement.
 - (11) A utilization management program which utilizes a formal assessment of medical necessity, efficiency and/or clinical appropriateness of services and treatment plans on a prospective and concurrent basis, reviews services using established protocols, and allows for an objective appeal process.
2. Assure that covered services are provided to recipients by staff who meet credentialing, competency, and/or training requirements promulgated by the single state agency or its designee, with the approval of the single state agency.

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3. Comply with all federal, state, and local laws and regulations applicable to Mental Health Rehabilitative Services and the Texas Medical Assistance Program.
4. Sign a written provider agreement with the single state agency or its designee. By signing the agreement, the provider of mental health rehabilitative services agrees to comply with the terms of the agreement and all requirements of the Texas Medical Assistance Program, including regulations, rules, provider manuals, standards, policy clarification statements, and guidelines published by the single state agency or its designee.
5. Document and bill for services covered by the Texas Medical Assistance Program in the manner and format prescribed by the single state agency or its designee.
6. Allow access by the single state agency or its designee to recipient and the recipient's records when necessary to carry out the single state agency's responsibilities.
7. Demonstrate a history of providing, as well as the capacity to continue to provide comprehensive system of services and supports required by 13b(B) (1) to, and as needed by individuals required to submit to mental health treatment under the Texas Code of Criminal Procedure, Article 17.032 (relating to Release on Personal Bond of Certain Mentally Ill Defendants), or Article 42.12, Section 5(a) or Section 11(d) (relating to Community Supervision); and to, and as needed by, individuals required to submit to mental health treatment due to involuntary commitment for outpatient treatment under the Texas Health and Safety Code, Chapter 573 (relating to Emergency Detention) and Chapter 574 (relating to Court Ordered Mental Health Services).

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8. Request criminal history record information on all employees and applicants whom an offer of employment or volunteer status is made, as authorized in the Texas Health and Safety Code §411.115 and ensure that no volunteer or employee of the enrolled provider, contracted employee of the enrolled provider, or employee or volunteer of a provider delivering rehabilitative services under arrangement who has a criminal history is allowed to provide services to or interact with persons receiving Mental Health Rehabilitative Services.
9. Comply with state policies and procedures pertaining to financial audits and cost reports as determined by the state auditor and/or the single state agency or its designee, with approval of the single state agency.
10. Ensure that when services are provided under arrangement the provider delivering those services under arrangement:
 - a. Complies with all applicable federal, state, and local laws and regulations pertaining to mental health rehabilitative services.
 - b. Has in effect an agreement with the enrolled provider agency stipulating that the provider delivering services under arrangement complies with all requirements of the Texas Medical Assistance Program, including regulations, rules, provider manuals, standards, policy clarification statements, and guidelines.
 - c. Is in compliance with all standards applicable to the provision of the Mental Health Rehabilitative Services, as promulgated by the single state agency or its designee, with approval by the single state agency, through rules, regulations, provider manuals, policy clarifications, guidelines, and other documents.
11. Retain responsibility for Mental Health Rehabilitative Services provided directly or under arrangement.

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27. Rate Determination for Rehabilitative Services.

The Texas Department of Mental Health and Mental Retardation (TDMHMR) or its successor agency, will reimburse qualified providers for rehabilitative services provided to Medicaid eligible persons with mental illness.

Health and Human Services Commission (HHSC) determines reimbursement rates using a cost reporting process. Rehabilitative services providers are reimbursed a uniform, statewide, interim rate with a cost-related year-end settle-up. The interim rate is determined prospectively and at least biennially. An interim rate is set for each service type. Reimbursements are determined in the following matter:

1. Inclusion of certain reported expenses. Providers must ensure that all requested allowable costs are included in the cost report. The cost report must be formatted according to HHSC's specifications.
2. Data collection. HHSC collects several different kinds of data. These include the number of units of rehabilitative services that clients receive and allowable cost data. The cost data will be derived from time-study logs, payroll records, time sheets, and general ledger. The cost data will include allowable programmatic direct, programmatic indirect, and general and administrative overhead costs.
 - (a) Data is collected by the type of service delivered. These services are specified in Appendix 1 to Attachment 3.1-A, pages 31a to 31h and Appendix 1 to Attachment 3.1-B, pages 31a to 31h of the Texas Medicaid State Plan.
 - (b) A unit of service is defined as 15 continuous minutes for crisis intervention services, medication training and support, psychosocial rehabilitative services, rehabilitative counseling and psychotherapy, and skills training and development, and 45–60 continuous minutes for Day programs for acute needs.
 - (c) Services are provided by staff who meet credentialing, competency, and/or training requirements promulgated by the single state agency or its designee, with the approval of the single state agency.

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(d) HHSC will calculate rates for each:

- (1) Day programs for acute needs;
- (2) Crisis intervention services;
- (3) Medication training and support—individual;
- (4) Medication training and support—group, adult;
- (5) Medication training and support—group, child/adolescent;
- (6) Psychosocial rehabilitative services—individual;
- (7) Psychosocial rehabilitative Services—group;
- (8) Rehabilitative counseling and psychotherapy—individual;
- (9) Rehabilitative counseling and psychotherapy—group;
- (10) Skills training and development—individual; and
- (11) Skills training and development—group.

(e) Programmatic direct costs include the allowable salaries, benefits, and other costs of the rehabilitative services program that are directly related to the delivery of rehabilitative services to individuals. Programmatic indirect costs include the allowable salaries, benefits, and other costs of the rehabilitative services program that are indirectly related to the delivery of rehabilitative services to individuals. General and administrative overhead costs include the allowable salaries, benefits, and the other costs of operations of the provider that, while not directly part of the rehabilitative services program, constitute costs which support the operations of the rehabilitative services program. Other costs include non-salary related costs such as building and equipment maintenance, repair, depreciation, amortization, and insurance expenses; employee travel and training expenses; utilities; plus material and supply expenses.

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- (f) Revenues and costs will be collected and allocated to assure the separation of costs associated with rehabilitative services from revenues and costs associated with other Medicaid-reimbursed services and non-Medicaid services.

3. Reimbursement methodology.

HHSC determines the recommended reimbursement using the following method.

- (a) Reimbursement setting authority. HHSC establishes the reimbursement rate. HHSC sets reimbursements that, in its opinion, are within budgetary constraints and OMB A-87, adequate to reimburse the cost of operations for an economic and efficient provider, and justifiable given current economic conditions. HHSC adjusts reimbursement if new legislation, regulations, or economic factors affect costs.
- (b) Interim rate methodology. Cost projections adjust the allowed historical costs based on significant changes in cost-related conditions anticipated to occur between the historical cost period and the prospective reimbursement period. Changes in cost-related conditions include, but are not limited to, inflation or deflation in wage or price, changes in program utilization and occupancy, modification of federal or state regulations and statutes, and implementation of federal or state court orders and settlement agreements. If historical cost and data are non-existent or a rate must be set other than on the biennium, proforma rates will be set.
- (1) Costs are adjusted for the prospective reimbursement period by a general cost inflation index. The Personal Consumption Expenditures (PCE) Chain-Type Index, which is based on data from the U.S. Department of Commerce, is the most general measure of inflation and is applied to most salaries, materials, supplies, and services when other specific inflators are not appropriate.
- (2) Cost per unit of service. For each provider, the unit cost for each type of rehabilitative service is determined by dividing the total cost of rehabilitative service by the total units of service.

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- (3) Reimbursement determination. The mean provider cost per unit of service is calculated, and the statistical outliers (those providers whose unit cost exceed plus or minus (+/-) two standard deviations of the mean provider cost) are removed. After removal of the statistical outliers, the mean cost per unit of service is calculated. This mean cost per unit of service becomes recommended reimbursement per unit of service.
- (c) Settle-up Process. At the end of each reimbursement period, HHSC will compare the amount reimbursed at the interim rate for each service and the rehabilitative services provider's costs for each service, as submitted on its cost report in accordance with subsection (c) of this section.
- (1) If a rehabilitative service provider's costs are less than 95% of the amount reimbursed at the interim rate, HHSC will demand that payment be made to TDMHMR by the rehabilitative services provider of the difference between its allowable costs and 95% of the amount reimbursed at the interim rate for each service. TDMHMR will notify the rehabilitative services provider of the amount owed to TDMHMR.
- (2) If a rehabilitative services provider's costs exceed the amount reimbursed at the interim rate, TDMHMR will reimburse the rehabilitative services provider the difference between its allowable costs and the reimbursement at the interim rate up to 125% of the amount reimbursable at the interim rate for each service. Prior to reimbursement, TDMHMR will notify the rehabilitative services provider of the amount owed to the provider.
- (d) Reviews of cost report disallowances. A provider may request notification of the exclusions and adjustments to reported expenses made during either desk reviews or onsite audits, according to state regulations. Providers may request an informal review and, if necessary, an administrative hearing to dispute the action taken by HHSC under state law.

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